NEWSLETTER

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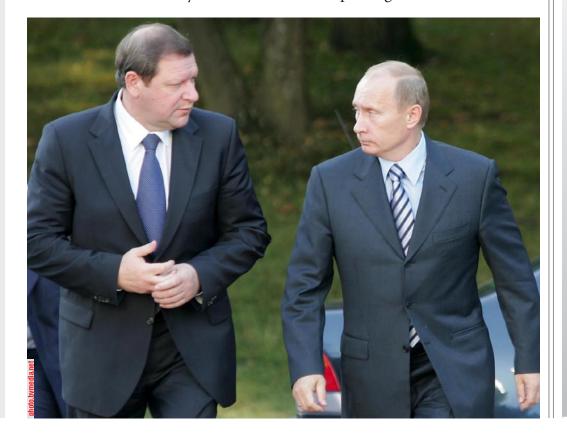
Procession on Dzyady

Financial Crisis Comes to Belarus

Bayonet Obelisk of Berascie Fortress to be Repaired

The most important events of the last week that will shape Belarus' mid-term perspectives were Putin's and OSCE chairman's-in-office visits to Miensk, and Lukashenka's speech in Belarusian KGB office.

Putin's visit to Miensk and his meetings with Lukashenka and Prime Minister Sidorsky became an important stage in Belarusian-Russian relations, especially in the sphere of military cooperation. Some political analysts think that Russia's increasing military presence in Belarus is just a question of time. And its purpose will be to respond to US anti-missile shield as well as NATO's plans to create quick response forces. Later, when speaking at the Belarusian KGB



BLOG

Andrei Liakhovich, Miensk, Belarus

Discussion of Russia's Financial Support Postponed

On October 6, Belarusian President Lukashenka and Prime Minister Sidorsky met with Russian Prime Minister Putin. The Belarusian side offered to sign an agreement which would specify the amount of Russian financial support for the upcoming year.

Statements made by Sidorsky and other government members showed official Miensk's confidence that Russia would agree to the next year's gas price offered by Belarus, namely \$140 for a 1000 cubic meters, and would also give Belarus a \$2 billion credit on preferential terms. Belarusian administration thought that Russia would give in, considering the roll-out of US anti-missile shield in Poland and the Czech Republic, as well as the possible integration of Georgia and Ukraine into NATO.

Still, the meeting's only result was the budget approval of the Union State's "project" – Belarusian-Russian feature film "Brest Fortress" dedicated to the heroism of Soviet frontier guards during the World War II. That was Russia's strongest signal to Lukashenka that the amount of financing will depend on the relations between Belarus and the West. Putin's visit to Miensk was first and foremost a political one. The Kremlin wanted to show voters that it still has the support of the Belarusian ally, with Lukashenka acting as a Russia's "shield" on the Western front.

Lukashenka's statement that his friendship with Russia is not for sale, was a good start of yet another bargaining session between Miensk and Moscow.

Lukashenka also showed Russia he still had a tramp card up his sleeve, hinting that he could strengthen the relations with the West, if the need be. He also made hints about the consequences of Russia not offering Belarus enough for being its ally. According to his words, by the end of this year "previous agreements should be revised". In January 2007 he had already stated that Russia wasn't fulfilling its obligations and taking advantage of Belarus as an ally.

headquarters, Lukashenka stated that "quick response forces in a neighboring country were more dangerous to Belarus than the anti-missile shield in the Czech Republic and Poland."

At the session of the Belarusian-Russian Union State government the Belarusian side was befuddled by Putin's suggestion to create a pool of foreign currency and make payments between the two countries in Russian roubles instead of dollars. It seemed that the Belarusian side was not prepared to discuss this. At the same time Putin stressed that the "historic plans" to make the Russian rouble the Union State's currency were still viable. Obviously Putin meant that the pool was a temporary measure before the launch of the union currency. Belarusian officials haven't commented on Putin's suggestion yet. Belarusian government doesn't like any "historic plans" that can lead to losing an important attribute of independence such as national currency.

The main results were expected after the discussions regarding the gas prices for the upcoming year, and the \$2 billion dollar credit for Belarus. But there were no official statements on the gas issue. Notably, First Deputy Prime Minister Uladzimir Siamashka, the person responsible for gas negotiations, was in Kiev at a bilateral business conference. According to some sources, First Deputy Prime Minister had a series of very important meetings with an aim of revitalizing economic cooperation between Belarus and Ukraine. Siamashka's absence during Putin's visit seems intriguing. As for the credit, the Belarusian Minister of Finances admitted that credit term and interest rate were not defined at the time.

Putin's visit yet again proved many analysts who thought that

02.10.2008 - BELARUS / - 09.10.2008

Lukashenka's strategy is based on trading preferential energy supply prices for Moscow's geopolitical ambitions satisfaction.

At the meeting with OSCE's chairman-in-office, Finland's foreign minister Aliaksandar Stubb, who arrived in Miensk on a one-day visit, Lukashenka assured Mr. Stubb that Belarus is ready to do anything to better relations with the EU.

"We are ready for any kind of relations with the EU. The only thing we are asking for is to respect our sovereignty, independence and our traditions. Don't force us to do what we can't do now," – Lukashenka said. In Mr. Stubb's visit he saw the "sign" that Europe should not isolate itself from Belarus.

When speaking with Mr. Stubb regarding the parliamentary elections, Lukashenka said that "it was strange for OSCE to say that the elections had fallen short of OSCE standards." Lukashenka thinks that "in general, there are no standards for elections", but he "would like OSCE to have such standards."

Obviously, Lukashenka's words that Belarusian government is faced with a task to get in contact with Finland "up to cooperation in nuclear plant construction" caught foreign minister of Finland off-guard. Observers note that before the meeting with Mr. Stubb the Belarusian government made a great move towards improving relations with Finland by letting the Finnish brewery "Olvi" acquire the Belarusian brewery "Lidzkaye Piva."

Many announcements made by the head of the state and by top officials about the importance of establishing relations with the West were confusing to many officials both in Miensk and in Moscow. So the president decided to explain everything during his speech in KGB headquarters.

At the meeting with top executives and officers of KGB and other security agencies Lukashenka said that post-election situation in Belarus crates new opportunities for a productive dialog with the West. Still, the president said that, "we should not calm ourselves and delude ourselves with the achieved results".

"I wanted to show some officials, businessmen and "nationalists" that our relations with the West are not Lukashenka's relations with the West. It's not Lukashenka's fault that the relations are not very good." According to the president, "today fewer Belarusians think that Europe is eager to embrace us." World financial crisis, which, as Lukashenka said, "goes deep" may become a new threat to the national security system. "It may affect us. Possibly, we will face export problems. But we

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should keep standing against all odds, as usual. Because there will be those who will try to destabilize situation." Apparently to prevent this "destabilization", Lukashenka formed a new KGB department called Operational Center. The Belarusian president took a tour of its facilities. It may be assumed that the new KGB department will become instrumental in Lukashenka's negotiations with Europe.

POLITICS

Stubb Acknowledged that the Elections were not Free

At the meeting with Belarusian opposition leaders, Finland's foreign minister and chairmanin-office of the Organization



for Security and Cooperation in Europe (OSCE) Aliaksandar Stubb acknowledged that Belarus' parliamentary elections had fallen short of OSCE standards. According to Lyabedzka, Mr. Stubb had acknowledged that the elections were not free. "However, he stressed that the policy of cooperation is better than the policy of isolation and noted that Europe should look for common ground with Belarus rather than continue the isolation policy," Mr. Lyabedzka said.

According to Lyabedzka, the participants also discussed the EU lifting the visa ban on some Belarus' officials.

OPPOSITION

Arthur Finkevich Dismissed from the Post of Malady Front Deputy Chairman

Activist Arthur Finkevich was dismissed from the post of Malady Front deputy chairman for actions aimed at discrediting Malady Front and attempts to split the organization. Twenty members of Malady Front's Soim (Council) voted to dismiss Mr. Finkevich, only three voted against this decision and

three members abstained, the press-service of Malady Front said.

The decision was made after Arthur

had been warned by Malady Front's Soim and continued shameful actions that not only violated Malady Front's regulations but were also immoral.

The decision was explained by deputy chairman of MF Nasta Palazhanka: "Arthur began to form a fictitious organization "Moladz Belarusi" (Youth of Belarus). He had planned to make a statement regarding its formation on the November 1, right after the MF meeting where Arthur was going to announce the split of MF.

SOCIETY

BELARUS / - 09.10.2008

Procession on Dzyady



BPF Chairman Lyavon Barshchewski and his assistant Viktar Ivashkievich filed an application to hold a traditional procession on the ancestors' remembrance day Dzyady.

First national procession on Dzyady was held 20 years ago in late October. Thousands of people came to the Eastern Cemetery to honor the ancestors.

BPF Chairman stressed that Dzyady should not divide but unite people. He told about negotiations with the Chairman of Conservative Christian Party Belarusian Popular Front Zyanon Pazniak.

ECONOMY

Financial Crisis Comes to Belarus

According to IMF calculations, in September Belarusian official reserve assets decreased by \$460 million.

As of October 1, official reserve assets totaled \$4,120 million, independent newspaper "Nasha Niva" informs with a reference to the National Bank of Belarus.

This data statistically indicates that world financial crisis is going to have a dramatic impact on Belarus, in particular its financial sector. For reference, Russia' official reserve assets totaled \$556,069 billion and in September they decreased by an alltime high 4.4% or by \$25,569 billion, beating the record of 1997.



CULTURE

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Bayonet Obelisk of Berascie Fortress to be Repaired

One of the most prominent contemporary symbols of the Berascie Fortress, the bayonet obelisk will be repaired. It is part of the memorial complex. It is 104.5m high and weighs 120 tons.

The repairs were needed for a long time but there was not enough money. But last year one of the titanium plates got loose because of corrosion and it began to swing in the wind at the 70 meter hight. It was dangerous to postpone the repairs any longer and in June 2008 2.2 billion BYR were directed for the repairs of the bayonet obelisk. The repairs will be performed by Berascie construction service and public corporation "Pramtechmantazh" and should be completed by the end of this year. When the monument was erected. preparatory works were done on the ground and then the bayonet was lifted with the help of special machines.

Specialists say that after the repairs the bayonet will hold on for another 50 years.



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EUROPEAN RADIO FOR BELARUS



There are various sites devoted to events in Belarus, which are, however, little known in Western Europe, and among people dealing with politics towards Belarus who do not understand the Russian or Belarusian languages.

The site belarus-live fills this gap. The site allows to order weekly reception of news in English, Polish, Belarusian, Russian.

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